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# Intelligence Information Brief

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SITUATION IN THE SHATT AL-'ARAB

## Background

Administration of the Shatt al-'Arab, which forms the southern portion of the Irano-Iraqi frontier, has long been a source of difficulties between the two countries. The situation has recently worsened as a result of Iranian efforts to force Iraqi certification of Khosrowabad as a port.

Between the Persian Gulf and a point a few miles north of Khorramshahr the Irano-Iraqi frontier runs along the low-water mark on the Iranian shore of the Shatt, except for two short stretches opposite the major Iranian ports of Khorramshahr and Abadan, where it follows the thalweg so as to leave these two ports in Iranian waters. However, seagoing vessels bound to and from these ports have to pass through Iraqi waters. The Irano-Iraqi Treaty of July 4, 1937 governs navigation of the Shatt. Article 4 declares that the Shatt is open on equal terms to the merchant ships of all countries and to Iraqi and Iranian warships. The same article states that the right of Iraq and Iran to the use of the Shatt is not affected by the fact that the frontier alternates between the low water mark and the thalweg.

## Recent Developments

The most recent difficulties in the Shatt arose on October 11, when the Khorramshahr Port Director advised shipping agents that all merchant ships entering the Shatt al-'Arab would be required to fly the Iranian flag from 12 miles out and that the Iranian Government would supply Iranian pilots and, if necessary, naval protection. On the same day, the Iraqi Consul in Khorramshahr protested to both the American Consul and Iranian authorities concerning the movement of an American-owned ship under Iranian flag to a docking facility at Khosrowabad without an Iraqi pilot or prior notification of Iraqi authorities. The Basra Port Authority later advised that the ship would be impounded if it moved from its present location without Iraqi permission. The Iranian Government, on its part, has arranged to provide a naval escort for the ship with instructions to prevent Iraqi interference.

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The ship in question is owned by the Pan American International Oil Company, which is now conducting oil exploration in the Iranian offshore area in partnership with the National Iranian Oil Company. The ship was recently placed under Iranian registry, but without Iraqi knowledge. The movement of the ship without notification to the Iraqis was apparently undertaken on Iranian Government instructions following the refusal of Iraqi authorities to pilot the ship to the desired location at Khosrowabad on the basis of technical objections to the use of Khosrowabad as a port (which marine experts discount). Pan American desires to use Khosrowabad as a base of operations for off-shore drilling in the Persian Gulf.

#### Comment

These developments follow earlier Iranian threats to take unilateral action if Iraq refused to cooperate with Iran in setting up a commission to negotiate on the problem of navigation on the Shatt. The 1937 Iraqi-Iranian agreement clearly recognizes most of the Shatt as Iraqi territorial water. However, since the Iraqi coup in 1958, the Iranians have become increasingly dissatisfied with arrangements for the navigation of the Shatt and have charged the Iraqis with interfering with Iranian shipping. The Iranians are also concerned over the presence of Soviet technicians in Basra and their possible use by the Basra Port Authority in the administration of the Shatt. Moreover, the Iranians are worried over the potential strangle hold on Iran's principal port that control of the Shatt would provide an unfriendly regime in Iraq.

The Iranians have not at this time officially questioned Iraqi sovereignty over the Shatt (although this is implicit in their instructions to shipping agents regarding the flying of Iranian flags in the Shatt). However, they point out that the Iraqis have thus far refused to negotiate regarding the navigation of the Shatt despite the fact that the 1937 Treaty calls for the conclusion of a convention on this matter.

During occasional periods of irritation in the past, the Iranians have complained that the 1937 treaty was invalid because it was signed "under duress"; i.e. British pressure, nevertheless, they are generally content to leave the policing of the Shatt to Iraq as long as the Basra Port Authority was, in effect, in British hands, and the question remained in abeyance. The era of good feeling during which Iraq and Iran collaborated in the Baghdad Pact had brought a number of common problems near to solution, and only a few months before the change in regime the two countries had mutually agreed on appointees (including a neutral member) to a commission to settle their outstanding border questions, including that of the water boundary.

The Iranians clearly feel entitled to a greater voice in the Shatt. Direct access to and the right to use Khosrowabad as a port is one aspect of this. Iraq's refusal to negotiate probably derives from the present regime's suspicions of all Iranian moves with respect to Iraq. Iraq's

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objections to the development of Khosrowabad as a port, primarily for use by Pan American, is likely based on apprehension over large-scale American operations so close to Iraqi territory.

Despite the recent Iranian action, the Iranians will probably try to avoid shooting incidents, at least for the time being, and it remains to be seen whether they will in fact require the flying of Iranian flags by ships proceeding to and from Khorramshahr. The Iranian moves may well be designed to spur the Iraqis to negotiate on the navigation of the Shatt. At the same time, they may also presage a harder Iranian "line" with respect to Iraq.

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